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SMITH, GAMBRELL & RUSSELL, LLP
1850 M STREET, N.W., SUITE 800
WASHINGTON, DC 20036

EXAMINER


ZURITA, JAMES H

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 07/15/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/391,459	Applicant(s) KITAJIMA, HEIZO	
	Examiner James H Zurita	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 September 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-4 and 6 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-4 and 6 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input checked="" type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. <u>7 June 2004</u> |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Supplemental Response to Amendment

This is in continuation to Final Office Action, mailed on 24 November 2003. The Examiner withdraws finality of the previous Office Action in order to address applicant's supplemental Amendment D, filed 31 October 2003 and to update prosecution history.

Prosecution History

On 8 September 1999, Applicant filed his application (paper # 1). Applicant claims priority to Japanese Patent Registration # 47059/1999 of 24 February 1999.

On 27 March 2002, A First Office Action rejected claims 1-5 (paper #3).

On 27 June 2002, Amendment A was entered (paper #4).

On 16 August 2003, the Examiner rejected claims 1-4 and 6 (paper #6).

On 14 February 2003, Applicant requested an extension of time (paper # 7) and filed a request for Continuing Prosecution (paper # 8).

On 28 March 2003, Applicant filed a preliminary amendment (paper #9).

On 9 May 2003, the Examiner rejected claims 1-4 and 6 (paper # 10).

On 9 September 2003, Applicant requested an extension of time (paper # 11) and filed Amendment C (paper #12), wherein applicant amended claims 1 and 6.

On 24 November 2003, the Office mailed a Final Rejection of claims 1-4 and 6 (paper # 13).

On 31 October 2003, Applicant filed supplementary Amendment D (paper #14). In Amendment D, applicant added claims 7-10 and included additional remarks.

Papers #13 and #14 crossed in the mail.

On 14 January 2004, applicant filed a miscellaneous letter (paper #15). As noted by applicant, the Examiner had not reviewed Supplemental Amendment D prior to the Final Rejection of 24 November 2003.

On 12 April 2004, the Examiner withdrew finality of the previous office action in order to address applicant's supplemental amendment D, filed 31 October 2003.

On 21 April 2004, the Office sent applicant pages of an Office Action for an unrelated application as well as pages 13-22 of the Examiner's Office Action of 12 April.

In a 29 April 2003 phone message, the Examiner advised applicant's counsel to return the materials to the PTO. These materials were received on 17 May 1004.

In a 7 June 2004 phone interview the Examiner advised applicant's counsel that (a) the last paper sent by the PTO would be vacated, (b) a corrected Office Action would be mailed in due course and (c) no response was due by applicant. The Examiner faxed a courtesy copy of the Interview Summary; a duplicate accompanies this paper.

The present corrected Office Action is a response to amendment D of 31 October 2003 and includes updates to the prosecution history. The Examiner apologizes for any inconvenience to applicant by the various delays.

Response to Amendment

By Amendment D, filed on 31 October 2003, applicant amended claims 1, 6.

Claims 1-4 and 6 are pending and will be examined.

Claim Rejections - 35 USC § 112

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 1-4 and 6-10 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter that was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Applicant amended claims 1 and 6 to read

- ...means [] for retrieving results [claim 6: from said (one) *storage means*] representative of high-ranking clients who contribute to sales of a single designated good by setting at least conditions of time period, class of goods and sales rate from the information of the goods purchased; ...

The disclosures do not contain the word "single." The word "good" (singular) only appears as follows. Other references are to "goods" (plural) and goods classes (*Anderson's clusters*).

Fig. 2 is a flow chart for storing the **good** purchase data...(twice)

Individual information such as a client code, a name, a postal number, an address, a telephone number of the client, the purchase price within a designated period of the **designated good** and the final date of visit, out of information of clients who have experience to buy the goods obtained as a result of retrieval, are output to the client actual sales list in the form of a table in order, and the total of the goods purchase prices obtained by the retrieval is also displayed.

When the **good** master maintenance 10b is selected, the goods name, vendor, unit price and the like of the goods can be input into the main computer 1.

POS **good** name column 12b, ...

The **good** numbers are entered in the goods code column 12a. With respect to the goods numbers, bar code numbers support

Cancelled claim 5: ...advertised to a main computer, selecting a **class** whether *retrieval* is made by a company, a department or the **good** and carrying out the *retrieval* in the selected **class**...

Notwithstanding Applicant's Table 1 and 2 submitted with Amendment B, and charts 1-1 and 1-2 submitted with Amendment D, Applicant defines high-ranking clients as those who account for the major part of sales of the goods (plural):

It is understood from the Pareto principle that a few [number of clients indicates] clients account for the major part of sales of the goods. Therefore, for example, where the sales rate is set to 80%, out of clients [having] who made the actual purchases of the goods designated in the goods designation 7c, high-ranking clients are those who contribute to sales of 80% of [the entirety from] the total sales of the goods. By so setting the sales rate (to 80%), only high-ranking clients are extracted.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 3 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 3 recites means for retrieving high-ranking clients. Parent claim 1 is directed to means for retrieving results (see claim 7).

Claims 7 and 9 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims refer to "...designating as high-ranking clients, a few purchasers of said single designated good who contributed to purchase of said set amount of said good..."

The term "few" in **claims 7 and 9** is a relative term which renders the claim indefinite. The term "few" is not defined by the claim, the specification does not provide

a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 6, 9 and 10 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, none of the steps of claims 6, 9 and 10 indicate more than a nominal connection to a computer or technology. The steps of (a) storing client information, (b) storing "...sales company goods information...", (c) storing information of goods purchased, (d) retrieving results, (e) outputting and printing retrieved results

could be performed manually by a person using index cards. Additionally, in claim 9, the steps of (a) calculating an amount and (b) designating purchasers can also be performed by hand. Please note also that claim 10 does not recite an active step.

To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating a computer network or electronic network into the steps of storing, retrieving, outputting and printing.

Claim Rejections - 35 USC § 103

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claims 1-4 and 6-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over **Anderson** et al. (US Patent 5,974,396) in view of an article by Martin **Evans**, "From 1086 and 1984: direct *Marketing into the millennium*", published in Marketing Intelligence & Planning; Bradford; 1998, and downloaded from the Internet on 1 May 2003 / hereinafter *Marketing into the millennium*.

Anderson discloses systems and methods that permit targeted advertisements to subsets of clients based on specified client clusters and product clusters. Products may be classified as belonging in clusters according to various criteria. Client may be classified as belonging to clusters (sets, subsets, groups, etc.), by various criteria, including households, income range, age groups, purchasing habits, etc.

Anderson stores transactional purchase data in relational databases. *Anderson* discloses methods and systems that include:

- *means for* storing client data including individual data including clients' code numbers, names, ages, addresses and telephone numbers (*Anderson* uses the term member identification number instead of client code. See at least Col. 3, lines 9-29; Col. 8, line 44-Col. 10, line 30 for references to client/consumer demographics, including Membership Identification Numbers/MIN, age of each client in a household, name of each client of a household, their date of birth, name of pets in a household, address and other types of demographic data);
- *means for* storing sales company goods data including sales goods, departments (see at least Col. 14, lines 50-59), names of classes of goods, codes for goods, prime unit prices, and sales unit prices (see at least Col. 2, line 56- Col. 3, line 8; for sales company goods, see at least Col. 8, lines 11-46; for references to manufacturer and type of product, see at least Col. 2, line 56-Col. 3, line 7; for names of classes of goods, see references to generic product clusters, at least in Col. 2, lines 56-67; for codes for goods, see at least references to Universal Product Code/UPC, at Col. 7, lines 31-67; for sales unit prices, see at least references to selling price of a unit of a product, Col. 21, lines 30-Col. 22, line 25);
- *means for* storing data of goods purchased by clients (see at least Co. 10, lines 31-46 for historical and transactional data stored in relational databases) and;
- *means for* retrieving results representative of high-ranking clients who contribute to sales of one or more goods designated by setting at least conditions of time period,

class of goods and sales rate from the data of the goods purchased (see at least Col. 10, line 46-Col. 6, line 5, describing retrieval of data with SQL); and

- *means for* outputting and printing results retrieved (see at least references to Print Systems Analysis and Print Intelligence databases; see also Col. 4, lines 19-49, Col. 11, line 31 – Col. 12, line 26).

Anderson discloses (a) *means for* storing client data, (b) *means for* storing goods data and (c) *means for* storing goods sales data comprise a recording medium such as a magnetic card, a plurality of terminal devices, a main computer, and a data storing device (see at least Col. 8, line 21-Col. 24, line 13, for types of data stores, recording and storage media, databases and files).

Anderson discloses *means for outputting and printing retrieved results* comprises a printer and a card issuing machine (see at least Col. 4, lines 19-49 for references to various subsystems, including printers; Col. 10, line 46-Col. 6, line 5, describing retrieval of data; see at least references to Print Systems Analysis and Print Intelligence databases; see also Col. 4, lines 19-49, Col. 11, line 31 – Col. 12, line 26).

Anderson teaches that data may be analyzed according to time periods: See at least references to Thanksgiving. Thanksgiving is a holiday period in the United States and Canada. The holiday spans several days (start/end dates). Clients shop for certain classes of goods, such as food items, including turkeys (see at least Col. 1, lines 1-36). A turkey is a specific product. The rate of sales of classes of goods for holiday periods may be calculated from stored client transaction details. Data may be analyzed according to household and even members in households. Thus, *Anderson* teaches

production of behavior reports showing client buying across time intervals (see also at least Col. 14, lines 53-60).

Anderson discloses *means for retrieving* results that are representative of high-ranking clients. See, for example, references to targeting specific clients with marketing and promotional literature based on buying habits, needs, demographics, shopping history, in the Abstract, and storage which contains depositories that store consumer transactional purchase histories, Col. 13, lines 20-35.

From these detailed transactional histories that are representative of high-ranking clients, *Anderson* permits users to retrieve results for those specific clients who contribute to sales of a single designated good by setting certain conditions. Single specific designated goods may be found in product item lists (for example, references to specific products and Universal Product Codes, at least Col. 11, line 51-Col. 12, line 10. Individual specific product sales may then be clustered into applicant's classes.

The conditions for retrieving may include at least the following:

- a time period. See, for example, references to tracking periods, Fig. 8 and related text, and across intervals, as in Fig. 7 and related text) predetermined time periods. See also references to promotions, which may be time period specific.
- a class of goods. See, for example, product clusters, Col. 12, line 1-10.
- sales rate from the information of the goods purchased. See, for example, references to volume and amount of sales over specified periods of time, Fig. 8 and related text.

Anderson describes means for retrieving results representing high-ranking clients and their contribution to sales of single designated goods. *Anderson* uses the term product cluster to describe goods classes. *Anderson* describes use of predetermined time periods, such as for tracking product sales by client.

Anderson's means for retrieving comprise a plurality of terminal devices and a main computer. For example, see at least Col. 4, lines 19-49; Col. 7, line 5-Col. 8, line 14, for references to terminals, including POS terminals. *Anderson* describes various types of computers, including supervisory computers, supervisory processors, local computers, network computers, including clients and server computers. See at least Col. 3, lines 1-Col. 4, line 59, and Col. 9, lines 3-19.

Anderson gives at least several examples of SQL queries to retrieve data from databases. One would use SQL to select those clients whose purchases amounted to a percentage specified in Fig. 10, item 7h, next to the Set Sales label.

Anderson suggests the use of scripts as menu options to retrieve data as needed to target those clients with promotional and advertising material directed to products within clusters. *Anderson* presents a query statement that access card identification numbers of consumers who spend \$50 or more on the average visit to the retail store. *Anderson* suggests that other queries might permit retailers to obtain information such as which clients spend the most money (1) overall, (2) per particular cluster or (3) particular time of year.

Anderson does not provide specific examples of reports that specifically show retrieving results representative of high-ranking clients who contribute to sales of a

single designated good by setting at least conditions of time period, class of goods and sales rate from the information of the goods purchased, as in amended Claims 1 and 6.

However, Anderson clearly teaches that specific-product analysis is old and well known. See, for example, at least Col. 10, lines 42-45. It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Anderson and information generally available to disclose retrieving results representative of high-ranking clients who contribute to sales of a single designated good by setting at least conditions of time period, class of goods and sales rate from the information of the goods purchased.

One of ordinary skill in the art at the time the invention was made would have been motivated to combine Anderson and information generally available to disclose retrieving results representative of high-ranking clients who contribute to sales of a single designated good by setting at least conditions of time period, class of goods and sales rate from the information of the goods purchased for the obvious reason that product-level analysis provides retailers with valuable information about what items bring in the most revenue. Retailers may then adjust the amount of shelf-space they give for each product and may even decide to discontinue selling other products.

As per new claims 7 and 9, Anderson *does not* specifically disclose applicant's "...relation $M = A \times R$, where A is the sales amount of said good, and R is the sales rate of said good, and wherein said means [] for retrieving results extracts high-ranking clients for said single designated good by determining a few purchasers who contributed to purchase of said set amount, M, of said good...." Anderson discloses

querying a database, obtaining results that list customers that spend the most money overall, per particular cluster or particular time of year. It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine Anderson and knowledge generally available to disclose applicant's "...relation $M = A \times R$, where A is the sales amount of said good, and R is the sales rate of said good, and wherein said means [] for retrieving results extracts high-ranking clients for said single designated good by determining a few purchasers who contributed to purchase of said set amount, M, of said good...." One of ordinary skill in the art at the time the invention was made to combine Anderson and knowledge generally available would have been motivated to disclose applicant's "...relation $M = A \times R$, where A is the sales amount of said good, and R is the sales rate of said good, and wherein said means [] for retrieving results extracts high-ranking clients for said single designated good by determining a few purchasers who contributed to purchase of said set amount, M, of said good...." For the obvious reason that to determine information such as which customer(s) spend the most money for a particular specific product, retailers apply various types of formulas. In particular, one may wish to apply a sales amount for the specific product and its sales rate over a period of time to recognize trends. For example, a retailer may see that HEINZ 8 ounce bottles are dropping in sales. The retailer may decide to adjust the amount of shelf-space it gives for HEINZ 8 ounce bottles (specific product code 10086302145) and may even decide to discontinue HEINZ 8 ounce bottles (specific product code 10086302145).

As per new claims 8 and 10, *Anderson* **does not** specifically use the term *sales rate* to describe applicant's item 7h. *Anderson* does not specifically set sales to certain percentages, such as 80%. *Anderson* **does not** specifically define his high-ranking clients as those who contribute to sales of 80% of total sales of the goods. **Evans** discusses effective targeting of marketing and discloses the use of the Pareto principle, which suggests that transactional data must be tracked by a database and that actual purchase history is needed for analysis. According to **Evans**, Vilfredo Pareto's theory of income distribution has been transferred and borrowed by direct marketers to support the proposition that **80 per cent** of sales come from just 20 per cent of clients.

Therefore, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time the invention was made to combine *Anderson's* clustering over predetermined time periods with **Evans** discussion of the 80-20 rule to select subsets of clients and target these clients with mailings and promotions.

One of ordinary skill in the art of electronic commerce at the time the invention was made would have been *motivated* to combine *Anderson's* examples to retrieve high-ranking client data based on a percent of total sales, such as Pareto's 80-20 rule to select subsets of clients and target these clients with mailings and advertisements for the obvious reason that targeting the clients who buy the most is an efficient way to spend marketing budgets. Pareto's 80/20 rule provides an easy way of selecting highest ranking clients who would ultimately provide the bulk of a shop's revenue from a particular product. This is particularly important as companies downsize and must make more efficient use of decreasing resources.

Response to Amendment

By Amendment C, filed 9 September 2003, applicant amended claims 1, 6. By supplemental Amendment D, filed 31 October 2003, Applicant added claims 7-10 and introduced additional remarks

Claims 1-4 and 6-10 are pending and are examined.

Response to Arguments

Applicant's arguments filed 9 September 2003 and 31 October 2003 have been fully considered but they are not persuasive.

Applicant argues that amended claims 1 and 6 recite "means for retrieving" searches to locate clients who purchase a single certain type of good [...according to time period, etc.]:

As such, according to the independent claims, Applicant's invention defines and retrieves high-ranking clients who contribute to sales of a particular product. Applicant's apparatus as set forth in claim 1, and Applicant's method as set forth in claim 6, would not have been taught or suggested by the asserted combination of *Anderson*, et al. and *Evans*.

As a preliminary note, only claim 1 contains *means for retrieving results*:

- ...means [] for retrieving results [claim 6: from said (one) *storage means*] representative of high-ranking clients who contribute to sales of a single designated good by setting at least conditions of time period, class of goods and sales rate from the information of the goods purchased; ...

Similarly, the disclosures do not contain the word "single." The word "good (singular) appears as follows. Other references are to goods (plural).

Fig. 2 is a flow chart for storing the good purchase data...

Individual information such as a client code, a name, a postal number, an address, a telephone number of the client, the purchase price within a designated period of the *designated good* and the final date of visit, out of information of clients who have experience to buy the goods obtained as a result of retrieval, are output to the client actual sales list in the form of a table in order, and the total of the goods purchase prices obtained by the retrieval is also displayed.

When the *good* master maintenance 10b is selected, the goods name, vendor, unit price and the like of the goods can be input into the main computer 1.

POS *good* name column 12b, ...

The *good* numbers are entered in the goods code column 12a. With respect to the goods numbers, bar code numbers support

Cancelled claim 5: ...advertised to a main computer, selecting a *class* whether *retrieval* is made by a company, a department or the *good* and carrying out the *retrieval* in the selected *class*...

Applicant argues that the references do not teach analysis based on individual products, merely clustering (applicant's goods class) and cluster-level analysis:

To those of ordinary skill in the art, Anderson, et al. clearly teach clustering. In regard to independent claims 1 and 6, Anderson, et al. teach database construction and analysis with product clusters, not individual products. For instance, column 10, lines 42-46 of Anderson, et al. specifically teach, to those of ordinary skill in the art, that the database stores for each client, purchase dates, amounts, and discounts for "various product clusters rather than specific products". In the same column, immediately above, Anderson, et al. give examples of such product clusters to those of ordinary skill. See column 10, lines 22-27 which instruct assigning a particular brand of soda into a cluster defined as beverages, and which instruct assigning a particular brand of cat food into a cluster entitled pet foods. Such clustering leads those of ordinary skill in the art to a completely different result than what the Applicant accomplishes. Amendment C.

The Examiner respectfully notes that applicant appears to ignore portions that clearly show that Anderson collects specific transactional and historical data for specific individuals and specific products. In particular, Applicant relies on the following text to show that Anderson does not teach product-level analysis:

...In this way, the database stores for each customer MIN transaction purchase dates, amounts and discounts for various product clusters rather than specific products. Col. 10, lines 42-46.

Per Applicant admission, the Examiner respectfully notes that the selected portion of Anderson clearly teaches analysis at the level of a specific product. Anderson

also provides means for storing and retrieving data according to specific products, time periods and classes of goods. For example:

Product, consumer and transactional data are maintained in a relational database
(Abstract)

An integrated system is required which allows individual retailers to determine buying patterns and habits of clients to determine client needs and preferences with respect to retail products sold. Such a system must accumulate transactional data, provide meaningful analysis, and allow retailers to target specific consumers based on determined buying patterns and preferences with promotional and advertising literature tailored to preferences and needs. To achieve those goals, such a system must be capable of inputting and categorizing enormous amounts of consumer and product data, organizing that data in a logical fashion, and providing data analysis useful for marketing and advertising. Col. 2, lines 39-55, emphasis added.

Product, consumer, and transactional data are maintained in a relational database. Targeting of specific consumers with marketing and other promotional literature is based on consumer buying habits, needs, demographics, etc. A retailer queries the relational database using selected criteria, accumulates data generated by the database in response to that query, and makes business and marketing decisions based on that accumulated data. Col. 3, lines 1-7, emphasis added

FSDB Data Store Main repository for consumer characteristics and transactional purchase history. (Col. 13, lines 20-28).

PURCHASE Data Flow The actual transaction between a retail grocer and one of their consumers. (Co. 13, lines 58-60.

TRANSACTION SESSION Data Flow A set of transactions representing the total "check-out" interaction between the retail grocer and one of their consumers at one time. Includes purchases, voids, and all other activity conducted at the POS workstation. (Col. 14, lines 8-14)

Thus, even if one were to find enablement in applicant's disclosures for retrieving results "...representative of high-ranking clients who contribute to sales of a single designated good..." it is clear from at least the above quoted portions that *Anderson* provides the same capability.

Applicant argues that the references do not teach analysis based on individual products, and that his invention

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...encourages sales promotion based wholly on purchase histories, i.e., fact, as opposed to conventional marketing promotion techniques involving assumptions...Applicant cites *Anderson* as an example of such conventional methods where assumptions are made based upon client characteristics such as age, annual income, hobbies, tastes and the like. In many cases, these selected criteria may offer good results. However, they still do not fully reflect the actual behavior of such purchasers. To the contrary, Applicant's apparatus and method execute searching based only upon factual histories, that is, only upon purchase records for selected, particular products. Amendments C, D.

Again, the Examiner respectfully notes that applicant appears to ignore other portions that clearly show applicant's claims. For example, see at least:

...A third table is a consumer *history* including entries such as the time spent by a *particular client* in each store, the money spent per store visit, any discounts acquired per store visit, etc. In this way, the database stores for each customer MIN transaction purchase dates, amounts and discounts for various product clusters rather than specific products. Col. 10, lines 40-46, emphasis added.

FREQUENT SHOPPER DATA BASE consumer information from consumer application subsystem and add to database. Data Store Main repository for consumer characteristics and product purchase history. Relational database serving as repository for consumer and product information. (Anderson, Col. 23, lines 48-53, emphasis added))

Applicant's Supplemental Amendment D fails to cure applicant's claims.

Anderson refers to product clusters, as Applicant correctly admits. However, applicant's references to Charts 1-2 and 1-1 continue to disregard Anderson's references to specific products within product clusters (see at least Abstract, Col. 2, line 56-Col. 3, line 8, Col. 10, lines 42-45).

Applicant characterizes his invention as "...sales promotion based on fact..." and argues that Anderson is a "...sales promotion according to supposition. Applicant presents two charts in support of his new arguments:

First, attention is invited to **Chart 1-2**. Applicant submits this Chart as showing a conventional sales promotion method. Applicant characterizes the *Anderson* method as of this conventional type. According to Applicant, the conventional method makes assumptions based upon conditions of clients. For example, age, annual income, hobbies, tastes, and the like are considered. However, also according to Applicant, such selected conditions do not fully correspond to the actual behavior of the client. Applicant illustrates this in Chart 1-2 by the broken line step "STUDY AND DECIDE CONDITIONS OF 'SUCH CLIENTS'". This step is illustrated further in the two other broken-line steps shown to its right.

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Applicant respectfully urges that he has taken a completely different approach. Rather than basing sales promotion on assumptions as does the conventional method, Applicant's claimed apparatus and Applicant's claimed method rely only upon facts.

Please now refer to **Chart 1-1**. It should be understood that Applicant's Chart 1-1 illustrates an overall sales promotion strategy, which strategy includes the present invention. Within Chart 1-1, focus on the "EXECUTE SEARCHING" step, and the steps shown to the immediate right of the "EXECUTE SEARCHING" step. In the right-hand steps, Applicant has labeled the upper block as "Step 1 ". This "Step 1" involves calculation of the set amount, M, for each good, that is $M = A \times R$. Once the amount, M, has been calculated, advance is made to "Step 2". Here, Applicant's invention extracts high-ranking clients for a designated good. This is done according to the teachings of Applicant's original disclosure, by identifying those relatively few (actually the fewest) clients who account for the dollar/yen amount, M, purchased. After this has been accomplished, it is seen that advance can be made to the "PROVIDE LIST OF CLIENTS WHO HAVE REPEATED BUYING" step. Applicant's presently claimed invention is central to identifying "high-ranking clients" in Applicant's overall strategy.

At the onset, the Examiner also respectfully notes that none of the above features appear in the claims. Please see also objection to new matter. Further, the Examiner notes that Anderson discloses targeting customers based on facts. See, for example, at least references to determining customers who spend the most money (1) overall, ... (3) particular time of year, for example, Col. 10, lines 11-65. Therefore, applicant's characterization of Anderson are not persuasive.

In addition, the fact that applicant has recognized another advantage which would flow naturally from following the suggestion of the prior art cannot be the basis for patentability when the differences would otherwise be obvious. See *Ex parte Obiaya*, 227 USPQ 58, 60 (Bd. Pat. App. & Inter. 1985).

Please note that Examiner cites particular columns and line numbers in the references as applied to the claims for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested that, in preparing responses, the applicant fully

consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Notes Concerning Official Notice and Traverse

A "traverse" is a denial of an opposing party's allegations of fact.¹ The Examiner respectfully submits that applicants' arguments and comments do not appear to traverse what Examiner regards as knowledge that would have been generally available to one of ordinary skill in the art at the time the invention was made. Even if one were to interpret applicants' arguments and comments as constituting a traverse, applicants' arguments and comments do not appear to constitute an adequate traverse because applicant has not specifically pointed out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. 27 CFR 1.104(d)(2), MPEP 707.07(a). An adequate traverse must contain adequate information or argument to create on its face a reasonable doubt regarding the circumstances justifying Examiner's notice of what is well known to one of ordinary skill in the art. In re Boon, 439 F.2d 724, 728, 169 USPQ 231, 234 (CCPA1971).

If applicant does not seasonably traverse the well known statement during examination, then the object of the well known statement is taken to be admitted prior art. In re Chevenard, 139 F.2d 71, 60 USPQ 239 (CCPA 1943). A seasonable

¹ Definition of Traverse, Black's Law Dictionary, "In common law pleading, a traverse signifies a denial."

challenge constitutes a demand for evidence made as soon as practicable during prosecution. See also MPEP 2144.03 Reliance on Common Knowledge in the Art or "Well Known" Prior Art. In view of this, the following is admitted prior art:

...targeting those clients that provide a business with sales over a percentage such as 80% makes it possible to apply well-known rules to selecting their best clients.

...it would be less effective to send promotional materials to customers who have purchased minimal quantities of a product class. For example, one would be less likely to target customers whose purchases have decreased from 0.001 percent to 0.0005 percent of a class of goods, while one would be more likely to send marketing materials and coupons to customers whose purchases have increased from 40% to 60% of seller's total for the class of goods.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

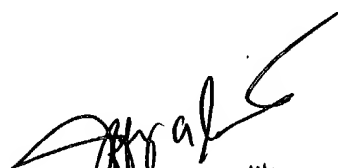
A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James H Zurita whose telephone number is 703-605-4966. The examiner can normally be reached on 8a-5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 703-308-3588. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

James Zurita
Patent Examiner
Art Unit 3625
29 June 2004


Jeffrey A. Smith
Primary Examiner
Acting SPE
AU 3625